

MINUTE ITEM

19. (CONSIDERATION OF SUBSIDENCE COSTS - L.B. W.O. 10,041.)

After presentation of Calendar Item 16 attached during which it was pointed out that in the second line the word "approved" should read "proposed", Mr. Harold A. Lingle, City Attorney for Long Beach, appeared on behalf of that City to state that the City wanted the record to show that acceptance of Commission approval of the item did not constitute any conclusion of questions under current discussion with the office of the Attorney General and the Commission staff.

Deputy Attorney General Jay L. Shavelson reported that there would be further discussions, and indicated that the purpose of this item was to preserve the status quo for the time being, so as not to prejudice either the City or the State; that there was no intent to bind either, but merely to see that the necessary preliminary approval for making final determination was on record.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:

THE COMMISSION APPROVES AS A SUBSIDENCE PROJECT THE ACQUISITION BY THE CITY OF LONG BEACH DURING THE MONTH OF JUNE, 1957 OF LANDS TO BE ELEVATED BY FILL, SAID ACQUISITIONS BEING ESTIMATED TO COST \$380,000, SUBJECT TO THE CONDITION, HOWEVER, THAT THE AMOUNT, IF ANY, OF SUCH COSTS TO BE ALLOWED ULTIMATELY AS SUBSIDENCE COSTS DEDUCTIBLE UNDER SECTION 5(a) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., WILL BE DETERMINED BY THE COMMISSION UPON AN ENGINEERING REVIEW AND FINAL AUDIT SUBSEQUENT TO THE TIME WHEN SUCH LANDS HAVE BEEN ACQUIRED AND MAY BE ACCURATELY APPRAISED; PROVIDED THAT NO ESTIMATE SHALL BE PRESENTLY MADE OF THE AMOUNT OF THE SUBSIDENCE DEDUCTION ULTIMATELY TO BE ALLOWED BY VIRTUE OF SAID ACQUISITIONS; FURTHER, THE CITY OF LONG BEACH IS NOT AUTHORIZED TO WITHHOLD FROM REVENUES DUE THE STATE ANY PORTION OF THE COSTS OF SUCH ACQUISITION UNTIL COMMISSION APPROVAL HAS BEEN HAD; FINALLY, THE EXECUTIVE OFFICER OR THE ASSISTANT EXECUTIVE OFFICER OR THE MINERAL RESOURCES ENGINEER ARE AUTHORIZED TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S CONDITIONAL APPROVAL.

Attachment

Calendar Item 16 (1 page)

CALENDAR ITEM

SUPPLEMENTAL

16.

(CONSIDERATION OF SUBSIDENCE COSTS - L.B. W.O. 10,041.)

On May 13, 1957 (Minute Item 7, page 3105) the Commission approved the costs approved to be expended by the City of Long Beach during May, 1957 for Property Purchases in Areas 4 and 7 with the provision that no estimate should then be made of the amount of the subsidence deduction ultimately to be allowed by virtue of the specified Property Purchase, and the City of Long Beach be not authorized to withhold from revenues due to the State any portion of the costs of such Property Purchase until further action by the Commission.

After a review with the office of the Attorney General, it has been concluded that no subsidence allowance should be made for the cost of the bare land as reflected by the estimated value of this bare land in its final elevated position. Approximately 571,000 square feet of land in the Town Lot area have been purchased since July 1, 1956.

The current request for approval of costs to be expended during June, 1957 for Property Purchases is \$380,000. Of this amount \$360,850 are costs for the same parcels of land for which Commission approval was obtained at its last meeting on May 13, 1957, but for which parcels the purchase was not consummated as planned.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE AS A SUBSIDENCE PROJECT THE ACQUISITION BY THE CITY OF LONG BEACH DURING THE MONTH OF JUNE, 1957 OF LANDS TO BE ELEVATED BY FILL, SAID ACQUISITIONS BEING ESTIMATED TO COST \$380,000, SUBJECT TO THE CONDITION, HOWEVER, THAT THE AMOUNT, IF ANY, OF SUCH COSTS TO BE ALLOWED ULTIMATELY AS SUBSIDENCE COSTS DEDUCTIBLE UNDER SECTION 5(a) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., WILL BE DETERMINED BY THE COMMISSION UPON AN ENGINEERING REVIEW AND FINAL AUDIT SUBSEQUENT TO THE TIME WHEN SUCH LANDS HAVE BEEN ACQUIRED AND MAY BE ACCURATELY APPRAISED; PROVIDED THAT NO ESTIMATE SHALL BE PRESENTLY MADE OF THE AMOUNT OF THE SUBSIDENCE DEDUCTION ULTIMATELY TO BE ALLOWED BY VIRTUE OF SAID ACQUISITIONS; FURTHER, THE CITY OF LONG BEACH IS NOT AUTHORIZED TO WITHHOLD FROM REVENUES DUE THE STATE ANY PORTION OF THE COSTS OF SUCH ACQUISITION UNTIL COMMISSION APPROVAL HAS BEEN HAD; FINALLY, THAT THE EXECUTIVE OFFICER OR THE ASSISTANT EXECUTIVE OFFICER OR THE MINERAL RESOURCES ENGINEER BE AUTHORIZED TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S CONDITIONAL APPROVAL.